

PRESS RELEASE

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Sembcorp Industries 9M2019 Results

SEMBCORP 9M2019 NET PROFIT GROWTH CONTINUES

Singapore, November 14, 2019 – Sembcorp Industries (Sembcorp) posted a net profit of S\$262 million for the first nine months of 2019 (9M2019), up 9% from S\$241 million in 9M2018. Turnover was S\$7.3 billion compared to S\$9.1 billion in 9M2018, mainly due to lower revenue recognition from rigs and floaters and offshore platform projects for the Marine business.

Quote from Neil McGregor, Group President & CEO of Sembcorp Industries:

“Underpinned by its Energy business, the Group delivered a resilient set of results with profit growth for the first nine months of 2019 despite the losses incurred by its Marine business.

“We made strides in reshaping our energy portfolio towards renewables and sustainable solutions. With over 2,600MW of wind and solar capacity globally, we are today Singapore’s largest home-grown international renewable energy player. Key milestones include entering the renewable energy sector in Vietnam and commissioning the first 60MW of our battery energy storage system in the UK, one of the largest fleets of its kind in Europe.

“In addition, we delivered on our commitment to unlock value through our divestment programme. Since the beginning of 2018, we have recorded total proceeds of S\$550 million, achieving our targeted proceeds of S\$500 million ahead of plan.”

BUSINESS UPDATES

- **The Energy business delivered an improved performance with net profit of S\$258 million, up 5% from S\$246 million in 9M2018**, driven by contribution from its new power assets in Bangladesh and Myanmar, and additional renewables capacity in China.

- **Strengthening our sustainable energy portfolio**
 - We have established our presence as Singapore's largest home-grown international renewable energy player with over 2,600MW of renewables capacity in operation and under development globally.
 - We are a major solar player in Singapore with close to 170MWp of solar power capacity, partnering organisations to accelerate the adoption of renewable energy.
 - Since the beginning of the year, we have commissioned 357MW for the SECI 2 and SECI 3 wind power projects in India, bringing total commissioned capacity for SECI wind power projects to 607MW out of 800MW.
 - The first 60MW of our battery energy storage system in the UK commenced operations in October 2019.
 - In Vietnam, we entered the renewable energy and sustainable smart solutions space in Vietnam through a joint venture with Becamex and VSIP.

- **Reshaping our portfolio**
 - We currently have a total operating power capacity of over 12,200MW globally comprising thermal power, renewable power, energy-from-waste and battery storage. A further 360MW of renewable power and battery storage are under development.

- **The Urban business posted a net profit of S\$30 million compared to S\$53 million in 9M2018**, with comparable contribution from Vietnam and lower contribution from China.

- **The Marine business recorded a net loss of S\$38 million in 9M2019 compared to S\$50 million net loss in 9M2018**, mainly due to additional costs for rigs and floaters projects and continued low overall business volume, offset by margin recognition from newly secured production floater projects and the delivery of a rig.

- **Unlocking value through systematic capital recycling**
 - Divestments year-to-date include Lianyungang and Xinmin water assets in China, Gallant Venture, the utilities assets formerly serving Jurong Aromatics Corporation to ExxonMobil and the commercial construction business of Sembcorp Design & Construction in Singapore.
 - We have achieved total divestment proceeds of S\$550 million since the beginning of 2018, exceeding our S\$500 million target.
 - We remain committed to unlocking value in India. Timing of initial public offering will be dependent on market conditions.

FINANCIAL SUMMARY

S\$ million	3Q2019	3Q2018	Δ%	9M2019	9M2018	Δ%
Turnover	2,450	3,021	(19)	7,301	9,123	(20)
Profit from Operations¹	201	217	(7)	656	622	5
<u>Net Profit</u>						
Energy	81	91	(11)	258	246	5
Urban	12	8	50	30	53	(43)
Other Businesses	14	10	40	28	9	211
Group Corporate	(4)	(9)	56	(16)	(17)	6
Net Profit (excluding Marine)	103	100	3	300	291	3
Marine	(32)	(18)	(78)	(38)	(50)	24
Net Profit	71	82	(13)	262	241	9
EPS (cents)	3.5	4.0	(13)	13.2	11.6	14

¹ Profit from Operations = Earnings before Interest and Tax + Share of Associates and JVs' results (net of tax)

GROUP OUTLOOK

The Energy and Urban businesses continue to underpin the Group's performance. The market environment continues to be challenging for the offshore and marine sector and Sembcorp Marine is expecting full year losses. While there are downside risks to global economic growth expectations with heightened policy uncertainty and trade tensions, the Group's diversified business portfolio is expected to provide resilience to weather the prevailing macroeconomic uncertainties.

While the Group has achieved its divestment programme target ahead of plan, it remains focused on strengthening its balance sheet as well as on executing its strategy and improving performance.

- End -



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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, marine and urban development group, operating across multiple markets worldwide.

As an integrated energy player, Sembcorp is poised to benefit from the global energy transition. With a strong track record in developing and developed markets, we provide solutions across the energy and utilities value chain, with a focus on the Gas & Power, Renewables & Environment, and Merchant & Retail sectors. We have a balanced energy portfolio of over 12,500MW, including thermal power plants, renewable wind and solar power assets. In addition, Sembcorp is a world leader in offshore and marine engineering, as well as an established brand name in urban development.

Sembcorp Industries has total assets of over S\$24 billion and over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index, several MSCI and FTSE indices including the FTSE4Good Index, as well as the SGX Sustainability Leaders Index and the Dow Jones Sustainability Asia Pacific Index.